

State Employee Benefits Health Policy & Planning Subcommittee
Statewide Benefits Office, 97 Commerce Way, Ste 201
Dover, Delaware 19904

The State Employee Benefits Health Policy & Planning Subcommittee met October 25, 2018. The following people were in attendance:

Committee Members:

Judi Schock, Designee OMB
Tanner Polce, Designee of Lt. Governor
Saundra Johnson, SEBC Co-Chair, DHR
Victoria Brennan, Designee of CGO
Stuart Snyder, Designee of DOI
Ken Simpler, SEBC Member, OST
Molly Magarik, Designee of DHSS
Bill Oberle, Designee of State Worker's United, DSTA
Faith Rentz, Subcommittee Chair, Designee of DHR
Jeff Taschner, SEBC Co-Chair, DSEA

Guests:

Leighann Hinkle, SBO, DHR
Aaron Schrader, SBO, DHR
Andrew Kerber, DOJ
Steven Costantino, DHSS
Katherine Impellizzeri, Aetna
Jennifer Mossman, Highmark
Walt Mateja, IBM Watson Health
Kevin Fyock, Willis Towers Watson
Rebecca Warnken, Willis Towers Watson
Jaclyn Iglesias, Willis Towers Watson
Chris Giovannello, Willis Towers Watson
Elizabeth Lewis, Hamilton Goodman Partner
Mary Kate McLaughlin, Drinker Biddle

Introductions/Sign In

Director Rentz called the first meeting of the SEBC Health Policy & Planning Subcommittee to order at 10:17a.m. Introductions were made and a brief description of the contents of the Subcommittee materials binder was given.

Committee Business Rules

Deputy Attorney General Kerber reviewed the Freedom of Information Act as it applies to public bodies, reviewing the public meeting process and requirements with the Subcommittee. A brief overview of the purpose and rationale of the SEBC subcommittees was given including the number of present members required to constitute quorum for the purpose of the subcommittee taking action to approve meeting minutes and recommendations to the State Employee Benefits Committee (SEBC). The subcommittee is an advisory committee.

Overview of GHIP Planning Discussions with SEBC – Handout – Willis Towers Watson (WTW)

A review of the components of the GHIP strategic framework including the primary components, mission statement, how the strategies link to the GHIP goals, influencing levers to shrink the cost of the program and initial and proposed tactics were discussed. The members exchanged thoughts and comments about changes in the demographics of the population and the importance of understanding member interest in benefit offerings as a method of determining their areas of focus. Metric based pricing and pricing transparency were raised as ongoing concerns with reference to North Carolina and Montana's efforts to set pricing as a percentage of Medicare. Revisiting the benchmarking work previously performed by WTW and IBM Watson (Truven), better understanding value based care, potential tactics associated with managing the third party administrators (TPAs) and aligning the needs of the GHIP population in an effort to obtain meaningful engagement were topics raised by the subcommittee. The importance of primary care and past work by the SEBC related to onsite health clinics were raised as areas of potential opportunity.

FY20 Planning – Opportunities for Discussion – Handout – Willis Towers Watson (WTW)

Kevin Fyock, WTW, opened discussion on opportunities by providing an overview of the areas that could be influenced to bring savings or improved efficiencies to the GHIP. These include a range of options in the areas of plan options, program design, health management, TPA management and payroll contribution. The subcommittee was asked to react to the range of focus and potential areas of consideration in an effort to prioritize. Plan options were discussed as an example with the options ranging from limited choice with more traditional designs versus more choice type designs such as high performing or narrow networks. The subcommittee discussed the GHIP options available today with the ideal state being a suite of options that meet the needs of most of the population and are supported with tools to help members understand. The intent of the SEBC is to explore a high deductible health plan with a health savings account and there is the possibility that such a plan could replace an existing plan such as the CDH Gold Plan with HRA.

Plan design allows opportunities to support higher levels of consumerism and engagement. Treasurer Simpler expressed an interest in wanting to understand the marketplace, GHIP/SEBC history with regards to the plan designs and the third party administrators selected for the plan options. The State should want to be agnostic to member choice and strive for options that are intended to benefit the participants. Mr. Fyock commented that currently, the plans are not priced by actuarial value and could be looked at for adjustments; incentives and disincentives play a role in the choices being made by the plan participants either as a direct consequence of the plan design or the plan TPA. Subcommittee members discussed the possibility that more nimble TPAs could present an opportunity to improve quality, cost and engagement and incent members to options and networks based upon the plan design.

Health management incentive and penalty approaches were reviewed and the group considered meaningful incentives and education to be necessary to increase engagement and reduce costs. Discussion occurred on options that could engage the entire population such as a requirement to have a primary care physician as well as considering a focus around a cohort, such as diabetes. Rewarding behavior change over becoming a better consumer and the need to recognize that behavior change may be needed to consume healthcare in a smarter way was considered. Lifestyle choices are a large indicator of healthcare utilization; should consideration be given to requiring participants with poor lifestyle choices to pay more such as a tobacco surcharge. Data and analysis of the GHIP against benchmarks suggests that the population is less healthy and there is a need to revisit as well as consider the impact of vendor arrangements and plan design on the overall health risk and behaviors of the participants.

The GHIP long term health care projections and short-term opportunities for offsetting the projected FY20 deficit presented at the October 22, 2018 SEBC meeting was reviewed and discussion occurred around the importance of thinking about the impacts of changes on future years as well as decisions on use of surplus funds being a task of the Financial subcommittee. The subcommittee had no objection to moving ahead with targeting metabolic syndrome and diabetes as a clinical area of focus in FY20 through the addition of Livongo for Highmark Delaware members and continued availability of diabetes prevention programs through Retrofit (Highmark members only) and the YMCA of Delaware (Highmark and Aetna members). The subcommittee was also asked to consider furthering the spread in copays between sites of service to encourage appropriate use for lab, imaging and Centers of Excellence. More information on the disparity in charges between hospital and non-hospital facilities was requested. Statewide Benefits will work on communications and education around changes in the upcoming plan year including use of the Delaware Learning Center as a requirement for engagement during open enrollment.

Illustrative options to address the FY20 projected budget deficit were reviewed with the opinion being that the fairest approach would be an increase in the premium. More detail was requested around the assumptions used to estimate the savings for the plan design options and information on the impact of primary care in reducing health risk and cost and improving engagement.

Other Business

Potential dates and times for the 2019 subcommittee meetings will be distributed for comment.

Public Comment

None

Director Rentz asked for a motion to adjourn the meeting. Secretary Johnson made the motion and it was seconded by Ms. Magarik. The motion carried unanimously. Meeting adjourned at 12:05 p.m.

Respectfully submitted,

Lisa Porter, Executive Secretary
Statewide Benefits Office, DHR